

ATTACHMENT #10 STATEWIDE LEASING INSTRUCTIONS

The Statewide Leasing budget instructions are detailed below. The use of a biennial budget process and the development of a six-year space plan will continue. Regional rental rates will continue to be used for budgeting purposes based upon a market analysis to be completed by the Office of Administration, Division of Facilities Management (DFM) later this summer. The Division of Facilities Management will largely develop the leasing budget, except for the items detailed below as still being an agency responsibility (see # 2 below). Division of Facilities Management staff will complete all BRASS entry.

ITEMS OF SIGNIFICANCE

1. Biennial Budget – Leasing funds will continue to be appropriated on a biennial basis. All requests submitted in October 2004 will include necessary funding for department leasing requirements for both Fiscal Years 2006 and 2007. The Division of Facilities Management already has or soon will provide each department with a list of Fiscal Years 2006 and 2007 expiring leases.
2. Deadlines – The deadlines below indicate when information is due to the Division of Facilities Management. The Statewide Leasing budget is due to Budget and Planning by October 1st as required by state statute. The Division of Facilities Management has been working with agencies to develop the Fiscal Year 2006 and 2007 leasing budget. Your agency's budget must be finalized and submitted to Ernie Wren in the Division of Facilities Management by September 1st.

ITEM	RESPONSIBLE FOR FORM PREPARATION	RESPONSIBLE FOR BRASS ENTRY	DEADLINES
1. Cores & Expiring Leases	DFM	DFM	September 1 st
2. FY06 New FTE and related systems furniture	DFM	B&P	December or as necessary
3. Systems Furniture	DFM	DFM	September 1 st
4. Other Decision Items	Department	DFM	September 1 st
5. Transfers			
In and out of operating budgets	Department	Department	September 1 st (in coordination with DFM)
In and out of HB 13	DFM	DFM	September 1 st (in coordination with Departments)

3. Six-Year Plan – The Division of Facilities Management is charged with developing an ongoing office space planning process. Agencies need to provide long-term space needs to the Division of Facilities Management. To ensure that all funding requirements are adequately foreseen, each department is to submit a six-year plan, which must include the following:
 - Program elimination/downsizing/co-location by location for each of the three biennial cycles of the six year plan; given recent budget trends, there have been substantial FTE reductions across state government. Agencies need to be prepared to consider co-locations with other agencies, relocations and combinations of existing staff within owned and leased space and be able to communicate these future space needs/ideas to the Division of Facilities Management;
 - Significant changes in program operations that could potentially affect use of the facility and;

- Program expansion/new FTE requirements by location for each biennial cycle of the six-year plan.

Following the leasing instructions is the format to be used for the six-year plan.

4. Core and New Decision Item Forms – The Division of Facilities Management will prepare and submit the core and new decision item forms for **all** leasing core, expiring lease, new FTE, and systems furniture requests. Agencies are responsible for development of the new decision item form for any other new decision items.

Core funding for the second year of the biennium will be requested by the Division of Facilities Management as a new decision item. A statewide decision item (0000010) will be used to request core funding for the second year of the biennium.

“Other Decision Items” include items that do not fall under expiring leases, new FTE or systems furniture categories. Multiple items should not be requested using the same new decision item form. All “Other Decision Item” requests should be submitted on separate new decision item form. As noted above, agencies must submit this information to the Division of Facilities Management by September 1st.

Agencies are responsible for reviewing each lease location and verifying the funding source(s) and split(s). If reallocations are needed, please submit any changes to Ernie Wren in the Division of Facilities Management.

Funding for utilities, voice data wiring, relocation, and janitorial services at leased facilities should **not** be included in the leasing request but should still be included in the department's corresponding **operating** budget request.

RANKINGS

House Bill 13 leasing decision items for Fiscal Years 2006 and 2007 will fall into one of the following categories.

- 001 Core;
- 002 Core for Year 2;
- 003 Expiring Leases;
- 004 New FTE;
- 005 Systems Furniture;
- 006 Other New Decision Items

If you have any questions about the leasing budget instructions or process please contact John Gilbert (751-9314) in the Division of Budget and Planning or Krista Myer (526-2866) in the Division of Facilities Management.

5. BRASS Data Entry - With the exception of transfers in and out of operating budgets, all BRASS work will be done by the Divisions of Facilities Management and Budget and Planning. Hard copies of requests are not considered final until all information is entered into BRASS. The budget forms for leasing requests will have a Year 1 column and a Year 2 column. If funding is required in the first year of the biennium, the Year 1 column should be used. If funding is required in the second year of the biennium, the Year 2 column should be used. If funding is needed in both years, make sure the Year 1 and Year 2 columns are completed to ensure sufficient funding for the biennium.
6. Regional Rental Rates – For budgeting purposes the following regional rates will be used: Metro; Out-state; Large City; or St. Louis County. The Division of Facilities Management will communicate these rates at a later date.

7. Lease Actions For Existing Contracts – The Division of Facilities Management is recommending lease extensions at most locations. Agencies should review program needs to determine the preferred lease term. There will be few bids for leased space, unless negotiations are unsuccessful with the current landlord or cost savings can be achieved through bidding. If an agency requests a bid, written justification for the bid, including a space analysis, must be submitted to the Division of Facilities Management.
8. New FTE – Any need for additional leased space for new staff will be evaluated jointly by the Divisions of Facilities Management and Budget and Planning. Funding for space for new FTE will be requested only if OA verifies that space does not exist to house the new staff in existing leased locations or state owned facilities. Should a need for additional new leased space exist based solely on the recommendation of new FTE for your department, the Division of Budget and Planning will request sufficient funding in the leasing budget. Your department must submit a space analysis that supports the need for additional space. Of course, should new FTE be recommended for your department, they should be housed, when possible, in a state-owned building before requesting leased space. The Division of Facilities Management has requested information from each agency regarding space for existing FTE.
9. Systems Furniture – If systems furniture is required for **new FTE**, funding will be requested in House Bill 13 in same manner as detailed in #8, above. The need for systems furniture will be evaluated jointly by the Divisions of Facilities Management and Budget and Planning. Systems furniture will be requested for an existing lease or new lease action only in special circumstances in which cost savings are evident. See the Expense and Equipment Guidelines for details on the associated cost of systems furniture units.

STATEWIDE LEASING - SIX YEAR PLANNING DOCUMENT

AGENCY:

ORGANIZATION:

[illegible]